THE WEEKLY OF
BUSINESS AVIATION™
Business Aviation
FEB 15, 1988
Vol. 46 No. 7

DOT SECRETARY James Burnley's suggestion that ATC operations be turned over to a user-owned company or private enterprise would remove thousands of highly-paid employes from the federal payroll and relieve the government of the responsibility of providing that service. It also permits Burnley to say he is willing to discuss a change in FAA's structure, rather than being painted as an opponent of FAA independence.

IMPOSITION of tariffs on Brazilian goods coming into this country, possibly including aircraft, appeared to be on a fast track when the Office of the U.S. Trade Representative announced it was reviewing the situation (BA, Nov. 30/171). Nearly two months after a Dec. 18 public hearing, however, no action has been taken and USTR officials refuse to provide any substantive information on the subject. Uncertainty about tariff imposition has caused Texas Air and ASA to delay delivery of at least four Embraer Brasilias and the number of "white tails" on the ramp at Embraer is expected to grow unless the matter is resolved soon.

BEECH AIRCRAFT has encountered yet another delay in achieving certification of its Starship aircraft. Officials say the aircraft's stall warning system would not operate satisfactorily in at least one "extreme" maneuver to be accomplished during function and reliability (F&R) testing. The contractor that supplies the stall warning system is working to develop an improved system. Problem will "cost us a few weeks" of additional time, a spokesman said. He emphasized that the delay has nothing to do with the aircraft's composite structure.

BURNLEY SUGGESTS USER GROUPS, PRIVATE FIRM SHOULD RUN ATC SYSTEM

Transportation Secretary James Burnley endorsed the concept of making major changes in FAA's organizational structure last Thursday during a speech at the National Press Club, including the possibility of turning operation of the nation's air traffic control system over to a user-owned corporation or private enterprise. Referring to Sen. Wendell Ford's proposed legislation, S.1600, that would create an independent FAA, Burnley said FAA is constrained by rigid personnel regulations that govern all federal agencies, a complex and time-consuming procurement process and the uncertainties of the federal budget process. He said proposals to make FAA an independent federal agency or a federal corporation would not resolve those problems.

Burnley said "one possible approach would be to place air traffic operations in a separate, non-profit, user-owned corporation" that would "take over all air traffic control facilities and equipment." Users of the ATC system would then be charged for ATC services on a transaction by transaction basis in much the same way that Eurocontrol functions in Europe. Policy for this user-owned company would be set by a board of directors and its operations would be regulated by FAA. Burnley compared the operation of such a corporation to that of Aeronautical Radio Company, which provides communication services for airlines and other aviation enterprises.

He said another suggested approach is a "management contract option," under which the operation of the ATC system would be contracted out to private industry. Burnley noted FAA already contracts

(Continued on the following page)

NOW ONLINE WORLDWIDE

The Weekly of BUSINESS AVIATION • 1156 15th Street, N.W. • Washington, D.C. 20005 • 202-822-4600 • FAX 202-293-2682 • **Dave Collogan**/Editor, **Kathryn Bladsoe**/Assistant Editor, **Kenneth E. Gazzola**/Group V.P./Publisher. • Published weekly by the Aerospace and Defense Group of McGraw-Hill Publications Co., a division of McGraw-Hill, Inc., 1221 Avenue of the Americas, New York, N.Y. 10020. (ISBN No. 0888-3467) • **Officers of McGraw-Hill Publications Co.**: President: Harold W. McGraw, III, Executive V.P.: Paul F. McPherson, Operating Support; John W. Patten, Management; Group V.P.: Kenneth E. Gazzola, Aerospace and Defense. **Officers of McGraw-Hill, Inc.**: Harold W. McGraw, Jr., Chairman; Joseph L. Dionne, President and Chief Executive Officer; Robert N. Landes, Executive V.P. and Secretary; Walter D. Serwatka, Executive V.P. and Chief Financial Officer. • Subscription rates: U.S. qualified rate: One year $345, 6 months $225. Quantity rates on request. Mailed first class.
COPYRIGHT © 1988 by McGraw-Hill, Inc. All rights reserved. None of the content of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise) without the prior written permission of the publisher.

STATUS OF AIRPORT & AIRWAY TRUST FUND

NOVEMBER 30, 1987

	CURRENT MONTH	FISCAL YEAR TO DATE
I. BALANCE - BEGINNING OF PERIOD	$ 10,092,169,996.05	$ 9,934,926,899.36
II. RECEIPTS:		
A. Excise Taxes (Transferred from General Fund):		
Any liquid fuel except gas	5,883,000.00	12,277,000.00
Tires used on aircraft	0.00	0.00
Tubes used on aircraft	0.00	0.00
Gasoline		
1. Commercial 9 cents tax	218,000.00	450,000.00
2. Non-commercial 9 cents tax	1,799,000.00	3,743,000.00
3. Non-commercial 3 cents tax	600,000.00	1,248,000.00
4. Transp by air,seats,berths,etc.	248,576,000.00	496,878,000.00
Use of international trav fac	9,162,000.00	19,461,000.00
Transp of property and cargo	14,584,000.00	29,523,000.00
Total Tax Receipts	280,822,000.00	563,580,000.00
B. Less Reimbursement to General Fund - Refund of Taxes and Estimated Tax Credits :		
1. Civil aircraft	0.00	0.00
2. Any liquid fuel except gas	0.00	0.00
3. Gasoline -Retailer's tax	0.00	0.00
4. Gasoline -Manufac. tax	0.00	0.00
Total Reimburse For Tax Refunds	0.00	0.00
Net Tax Receipts	280,822,000.00	563,580,000.00
C. Interest on Investments	5,618,070.94	9,777,476.25
Net Receipts	286,440,070.94	573,357,476.25
III. EXPENDITURES :		
A. Federal Aviation Administration :		
1. Operations	0.00	0.00
2. Grants-in-aid for airports	73,787,788.48	142,031,971.30
3. Facilities & equipment	59,754,874.27	114,284,635.97
4. Research engineering & development	9,483,774.91	16,384,139.01
B. NOAA weather services	0.00	0.00
C. Interest on Refund of Taxes	0.00	0.00
Total Expenditures	143,026,437.66	272,700,746.28
IV. BALANCE - END OF PERIOD	10,235,583,629.33	10,235,583,629.33

ASSETS :		
Undisbursed Balances:		$
Airport & Airway Trust Fund	762.62	
Operations	-1,625.59	
Grants-in-aid for Airports	15,431,622.40	
Facilities & Equipment	28,350,186.33	
Research Engineering & Development	10,466,683.57	
NOAA weather services	0.00	
		$ 54,247,629.33
Investments :		
U.S. TREASURY CERTIFICATES OF INDEBTEDNESS:		
8-5/8% maturing JUNE 30, 1988	$ 10,181,336,000.00	
		10,181,336,000.00
Total Assets		10,235,583,629.33
LIABILITIES:		0.00
EQUITY:		
Excess of Assets over Liabilities		$ 10,235,583,629.33
Total Liabilities and Equity		10,235,583,629.33

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Pages: 57, 61, 61a, 62a